



## EUROPE

### Regional Analysis

# The EU's New Constitution and Some History

## A New EU Constitution

In October 2004, the 25 member states of the EU (European Union) and 3 candidate countries signed a treaty to establish a Constitution for Europe.

The constitution introduces changes to EU institutions and voting procedures. Changes related to agriculture include increased powers for the European Parliament; there are also specific requirements on animal welfare, although they are not intended to apply to trade.

The constitution treaty can enter into force when it has been ratified by each of the signatory countries, in accordance with its own constitutional procedures. Although scheduled to be completed by Nov. 1, 2006, the ratification process is expected to be difficult. Many member states will hold referendums on it.

The articles relating to agricultural policy do not differ significantly from the language of previous treaties. This is in itself noteworthy, because the EU's 2003 reform of its agricultural policy was hailed as a fundamental and historic change in the way the EU supports its farm sector. While the true impact of that reform remains to be seen, it did represent a shift from the EU's traditional price support model to income support decoupled from the obligation to produce a specific product. In spite of this, the new constitution retains the same language as previous treaties regarding fair prices to farmers and increasing agricultural productivity.

The new constitution also expands the power of the European Parliament in



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the formulation of EU agricultural policy. Along with the European Council, the Parliament will make decisions on legislation (known as the European Laws and European Framework Laws) establishing the Common Market Organizations for agricultural products, an area previously handled through the consultation procedure, under which the Parliament could supply only nonbinding opinion.

However, the power to adopt prices, levies, quotas and fishing opportunities remains with the Council.

The possible impact of the European Parliament's future role in agricultural policy is difficult to assess. On one hand, as EU policy extends to other sectors and member states face budget constraints, the agricultural sector will face competition from other societal concerns. On the other hand, the EU's enlargement increases the number of farmers by nearly 60 percent, while overall population increases by only 30 percent, a demographic shift that could give farmers a larger voice in governmental decisions.

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## By Way of Background

The EU, formerly known as the European Economic Community or EEC, was created by the Treaty of Rome in 1957. Through several accessions, the EU has expanded to become the world's largest multi-nation trading bloc. All EU member countries accept the entire body of EU laws and obligations associated with the treaties and agreements to which the EU is a party.

The EEC was originally created as a customs union; the process of harmonizing existing member state legislation has been long, cumbersome and arduous, and is still ongoing. While the vast majority of food laws and regulations have been harmonized throughout the EU, the single EU market is still not a *fait accompli*.

In cases where EU-wide legislation or regulatory harmonization is incomplete or absent, the laws of member states apply, often resulting in different rules in different states. ■

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